

# **FISCAL NOTE**

## **HB 2134 - SB 2433**

February 11, 2000

**SUMMARY OF BILL:** Requires that all newborn infants be screened for hearing loss before leaving the hospital. All infants born outside of a hospital setting are to be tested by the Department of Health. The bill requires specific testing methodologies be used. Any child who fails the test is to be referred to the Department of Education for follow-up. Failure to screen an infant is a Class C misdemeanor. Requires that all children in the Healthy Start Program receive hearing and sight screening. The bill mandates coverage of the test by individual and group health insurance policies and health maintenance organizations, but specifically excludes plans governed by ERISA (Federal law).

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$400,000**

**Increase Local Govt. Expenditures\* - Exceeds \$100,000**

**Other Fiscal Impact:**

**Increase Federal Expenditures - Exceeds \$600,000/TennCare**

**Increase Expenditures - Exceeds \$100,000/Health Industry\*\***

Assumes:

- That capitation rates paid to TennCare managed care organizations will be increased to cover the expense of annually testing an estimated 18,750 infants.
- The Department of Health would pay for testing of approximately 128 infants annually who are not born in a hospital and either have no health insurance or have health insurance plans without coverage for hearing screening.
- The state health plan would cover approximately 600 additional tests. Even though the state plan is ERISA it is assumed that coverage will be added because of the legal requirement for testing infants prior to hospital discharge.
- A need for one contract position in the Healthy Start program to meet the mandate of the bill.
- An increase in Department of Education expenditures because of additional referrals, but it is estimated that such expenditures can be absorbed within the existing budget.

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- That local government health insurance plans would experience increased costs. Although some local plans are ERISA plans, it is assumed that some will choose to offer this coverage because of the legal requirement for testing infants prior to hospital discharge.
- Increased costs to the health insurance industry. While the amount of such increase cannot be determined, it is estimated to exceed \$100,000.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

\*\*The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director